

89-1909

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JOSEPH F. SPANIOL, JR.  
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No. \_\_\_\_\_

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IN THE SUPREME COURT OF THE UNITED STATES  
OCTOBER TERM, 1989

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FEIST PUBLICATIONS, INC., Petitioner

v.

RURAL TELEPHONE SERVICE COMPANY, INC.,  
Respondent

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PETITION FOR A WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS FOR  
THE TENTH CIRCUIT

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## **QUESTIONS PRESENTED**

1. Can a telephone company copyright its directory of the phone numbers it has assigned to subscribers under its granted monopoly status, refuse to grant a license to those directory listings to a competing independent directory publisher, then use a copyright infringement action to enforce its refusal and prevent self-help access by the competitor to the telephone company's directory?
2. If such a refusal to deal is found to be an anti-trust violation, would the copyright infringement action amount to "copyright misuse," thereby preventing enforcement of the copyright under a theory similar to that of "patent misuse"?
3. Does the copyright in a telephone directory by the telephone company prevent access to that directory as a source of names and numbers to compile a competing directory, or does copyright protection extend only to the selection, coordination, or arrangement of those names and numbers?

## LIST OF PARTIES AND RULE 29.1 LIST

There are no parties to this proceeding not revealed by the caption.

Feist Publications, Inc. has no parent company. Feist Publications, Inc. owns 79 percent of Feist Management, Inc. There are no other subsidiaries.

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**IN THE SUPREME COURT OF THE UNITED STATES**  
**OCTOBER TERM, 1989**

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**FEIST PUBLICATIONS, INC., Petitioner**

**v.**

**RURAL TELEPHONE SERVICE COMPANY, INC.,  
Respondent**

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**PETITION FOR A WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS FOR  
THE TENTH CIRCUIT**

---

Petitioner, Feist Publications, Inc., respectfully prays that a writ of certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Tenth Circuit, entered in the above entitled proceeding on March 8, 1990.

**OPINIONS BELOW**

The opinion of the Court of Appeals for the Tenth Circuit is not reported. It is reprinted in the appendix hereto, p. 1a, *infra*.

The opinion of the United States District Court for the District of Kansas is reported at 663 F.Supp. 214 (D. Kan. 1987), and is reprinted in the appendix hereto, p. 5a, *infra*.

## **JURISDICTION**

On March 8, 1990, the United States Court of Appeals for the Tenth Circuit entered its Order and Judgment affirming the determination of the District Court. No petition for rehearing was sought.

The jurisdiction of this Court to review the judgment of the Tenth Circuit is invoked under 28 USC §1254 (1).

## **STATUTES INVOLVED**

The statutes involved are set forth in the appendix hereto, p. 19a, *infra*. Those are:

### **Copyright Statutes:**

17 USC §101. Definitions

17 USC §103. Subject Matter of Copyright:  
Compilations and Derivative Works

17 USC §107. Limitations on Exclusive Rights:  
Fair Use

### **Anti-Trust Statute:**

15 USC §2. Monopolizing trade a felony; penalty.

## **STATEMENT OF THE CASE**

Respondent, Rural Telephone Service Company, Inc. ("RTSC") is a telephone company granted monopoly status to provide telephone service to subscribers in designated areas of northwest Kansas. In conjunction with its provision of telephone service, RTSC compiles an annual telephone directory covering its telephone service area. RTSC copyrights its telephone directory each

year. The telephone directory is a typical "phone book" printed partly on white pages and partly on yellow pages. The portion printed on white pages lists in alphabetical order the names, addresses, and telephone numbers of RTSC's telephone subscribers. The yellow pages contain advertising.

Petitioner, Feist Publications, Inc. ("Feist") also publishes telephone directories containing white page listings of telephone subscribers and yellow page advertising. Feist, however, is not a telephone company with monopoly status. Since 1978, Feist has published and distributed a Northwest Kansas AREA-WIDE Telephone Directory which combines the entire fifteen county northwest Kansas trade area, including RTSC's service area, into one combined directory.

Feist began its publication of the Northwest Kansas AREA-WIDE Telephone Directory by requesting license agreements with the various telephone companies serving the combined areas to be covered by the Feist directory. Through these license agreements, the telephone companies agreed to annually sell Feist a list of their white page listings to be used by Feist in its directory. (The yellow pages are not at issue; each publisher sells and prepares its own.)

RTSC refused to enter into a license agreement with Feist.

Unable to purchase the RTSC white page listings, Feist used the RTSC telephone directory as a source and edited it by sorting the RTSC listings out by town and alphabetizing them. Feist then sent these various lists, broken down by towns, to verifiers it had hired in these towns with instructions to telephone each of the listings taken from the RTSC directory, and to attempt to verify each name, address, and telephone number. After the verifiers had carried out their instructions, they sent



the lists back to Feist with pencilled in notes reflecting deletions, additions, and any other changes to be added to Feist's directory. Feist did not attempt a door to door canvass of the RTSC telephone service area which covers portions of eleven of the fifteen counties in northwest Kansas covered by the Feist directory.

RTSC inserted 28 fictitious listings in its 1980-81 directory, its 1981-82 directory, and its 1982-83 directory. None of them appeared in the earlier Feist 1980, 1981, or 1982 Northwest Kansas AREA-WIDE telephone directories. Four of the 28 fictitious listings appeared in Feist's 1983 Northwest Kansas AREA-WIDE telephone directory.

RTSC then filed this copyright infringement action alleging Feist violated the copyright laws by copying white page listings (name, address, telephone number) from RTSC's telephone directory. Feist answered alleging that its actions did not amount to copyright infringement; that there was no "outright" copying of RTSC's telephone directory and the presence of four "fictitious" listings from over 4,900 total listings was *de minimis*; that Feist's use of RTSC's telephone directory was "fair use"; and that RTSC's refusal to license those white page listings after a reasonable request by Feist was an anti-trust violation amounting to "copyright misuse" preventing enforcement of the copyright.

Feist also filed a counter-claim alleging RTSC's refusal to license its white page listings to Feist after reasonable requests was an anti-trust violation under the "essential facility" and/or "intent to monopolize" theory of §2 of the Sherman Anti-Trust Act; i.e., that the refusal to deal was an unlawful attempt by RTSC to exclude Feist as a competitor in the yellow page advertising market.

RTSC moved for summary judgment on the copyright claim and moved to dismiss the anti-trust counter-claim. Feist cross moved for summary judgment on the copyright claim and asked the Court to view the copyright issue and anti-trust issue together rather than separately. The District Court severed the copyright and anti-trust claims and decided the summary judgment in favor of RTSC and the motion to dismiss in favor of Feist. At a later hearing, the District Court received evidence and exhibits as to the copyright infringement then awarded statutory damages in the amount of \$6,000 and attorney fees to RTSC.

Feist filed its appeal to the Tenth Circuit. On March 8, 1990, the Tenth Circuit, in an unpublished opinion affirmed for "substantially the reasons given by the District Court."

District Court jurisdiction was based on 28 USC §1338. Tenth Circuit jurisdiction was based on 28 USC §1291.

[The related, but severed, anti-trust counter-claim was decided in Feist's favor on April 5, 1990. See *Rural Telephone Service Company, Inc. v. Feist Publications, Inc.*, \_\_\_\_\_ F.Supp.\_\_\_\_\_, 1990 W.L. 38980 (D. Kan) 58 U.S.L.W. 2633 (D. Kan. 1990). RTSC has filed a motion for reconsideration which is still pending.]

## REASONS FOR GRANTING THE WRIT

### I

The District Court and the Tenth Circuit below have both misconstrued this Court's decision in *U.S. v. Loews, Inc.*, 371 U.S. 38 (1962).

The District Court below, in refusing to consider Feist's "copyright misuse" defense held that the doctrine "has never been extended by the Supreme Court to copyright infringement actions." (663 F.Supp. at 220) citing *United States v. Loews, Inc.*, 371 U.S. 38, 45 (1962). The Tenth Circuit's unreported opinion, while not citing *Loews* directly, affirms for "substantially the reasons given by the District Court."

That is an erroneous reading of *Loews* which should be corrected by this Court. This Court's opinion in *Loews*, 371 U.S. 38, at 50, in fact suggests that copyright misuse as a defense to a claim for infringement would be upheld in the proper circumstances in a manner similar to the patent misuse defense. Other authorities agree that this is the suggestion of *Loews*. [See 3 *Nimmer on Copyright*, §13.09[A] at 13-144; 16 F.J. von Kalinowski, *Antitrust Laws and Trade Regulations*, §59.08 (2) (a) (1985).]

The Fifth Circuit in *Mitchell Bros. Film Group v. Cinema Adult Theater*, 605 F.2d 852 at 865 (5th Cir. 1979) has also indicated in *dicta* that "in an appropriate case a misuse of the copyright statute that in some way subverts the purpose of the statute—the promotion of originality—might constitute a bar to judicial relief."

This is such an "appropriate case" involving those "proper circumstances" which calls for instruction from this Court.

This is not a "theft" case where an independent directory publisher simply appropriates all listings from a phone company's directory without any request for a license to use those listings. Feist first requested a license for RTSC white page listings which it considered essential to the publication of a competing directory. RTSC refused to license white page listings to Feist. When Feist was forced to attempt compilation by self

help use of the RTSC directory in its verification process, RTSC sued Feist herein to forbid that access.

The "misuse" doctrine was developed by this Court in *Morton Salt Co. v. G.S. Suppiger Co.*, 314 U.S. 448 (1942) to prevent an attempt by a patent holder to use a valid patent in a salt machine to restrict competition in the unpatented salt tablet market. Similarly, here, the phone company should not be allowed to use its copyright in the listings it has assigned under its phone service monopoly to restrict competition in the unregulated yellow page advertising market.

By refusing to give Feist access to the white page listings necessary to compete in the directory publishing business, and then attempting to use this claim of copyright infringement to prevent competition from Feist, RTSC has misused its copyright in violation of appropriate anti-trust laws. [The fact of RTSC's anti-trust violation under §2 of the Sherman Act is reported in *Rural Telephone Service Company, Inc., v. Feist Publications, Inc.*, \_\_\_\_\_ F. Supp. \_\_\_\_\_, 1990 WL 38980 (D. Kan.), 58 U.S.L.W. 2633 (D. Kan., Apr 05, 1990) (No. 83-4086-R) where the severed anti-trust counter-claim portion of this action was decided in Feist's favor.]

The misuse here is inherent, not collateral. It subsists in the very matter upon which this suit was brought—to refuse access to the white page listings which are essential to publication of a competing directory. [See Note, "Redefining Copyright Misuse," 81 *Columbia Law Review* 1291 (1981).]

The courts below need specific directions from this Court on how to apply the copyright misuse defense. If, as held below, there is no such defense, then this Court should specifically say so and repudiate its *dicta* in *Loews*. If there is such a defense, then it should be



specifically set forth for copyrights -- just as it is for patents [*Morton Salt, supra*] and trademarks [15 USC §1115(7)].

## II

**The decisions below continue a misunderstanding of how copyright law applies to public domain material and a split in principle among the Circuits on the proper test for copyright in a compilation of facts.**

The effect of the decision below is to freeze access to public domain materials—to facts which should be available to subsequent compilers in order to promote the public's access to information.

The late Professor Nimmer made this same point in discussing the line of cases commencing with *Leon v. Pacific Tel. & Tel. Co.*, 91 F.2d 484 (9th Cir. 1937):

"The desire of the Courts in the line of cases above described [*Leon v. Pacific Tel.*] to protect the industriousness of the researcher is both understandable and in a sense commendable. It is submitted, however, that *these cases are incorrect in that they fail to apply the standard of originality as it is understood in the law of copyright*.... Protection for the fruits of such research may in certain circumstances be available under a theory of unfair competition. But to accord copyright protection on this basis alone distorts basic copyright principles in that *it creates a monopoly in public domain materials without the necessary justification of protecting and encouraging the creation of 'writings' by 'au-*

thors'.... It is to be hoped that the courts in construing Section 103 (b) of the current Copyright Act will avoid the error of the above line of cases." [1 M. Nimmer, *Nimmer on Copyrights*, §3.04, footnotes omitted; emphasis added.]

The Ninth Circuit itself has rejected its own *Leon v. Pacific Tel.* reasoning, "to the extent that *Leon* suggests that research or labor is protectable." *Worth v. Selchow & Righter Co.* 827 F.2d 569, 573 (9th Cir. 1987).

The copyrightability of telephone directories as a whole is not the issue of this case. Feist agrees that directories are copyrightable under the law. Feist copyrights its directories and if a third party copied Feist's directory compilation with no independent verification or other selection or rearrangement, that copying should be enjoined. However, RTSC cannot copyright its white page listings and thereby refuse that essential facility to Feist. To draw an analogy, West Publishing Company cannot copyright the decisions of the Federal Courts; such decisions may be likened to the white page listings of RTSC. All West can copyright are its format, key numbers, and its synopsis of the case. Similarly, all RTSC should be able to copyright are its format and organization in its pages, together with any authored forward text and yellow page advertising.

The copyright is in the compilation—the way the directory is put together as a whole. It prevents others from copying pages of the directory as their own. It should not prevent others from using the directory as a source, since the phone company is the source of phone numbers. Feist did not copy the RTSC pages or compilation; Feist's compilation and the listings themselves differ from RTSC's [except for 4 fictitious listings out of 28 total fictitious ones and out of 4,935 total listings.]

A decision from this Court holding the copyright in a collection of facts (such as a directory) protects only those elements showing sufficient selection, coordination, or arrangement to constitute original authorship would also resolve a split in principle among the Circuits.

Based on the decisions below, the Tenth Circuit has apparently adopted the "sweat of the brow" test which holds that the investment of labor and effort is sufficient to warrant copyright protection for a compilation, including its component parts (i.e., its facts). This is also the view of the Seventh and Eighth Circuits. [See *Rockford Map Publishers, Inc., v. Directory Service Co.*, 768 F.2d 145 (7th Cir. 1985), cert. denied, 106 S. Ct. 806 (1986); *Hutchinson Telephone Co. v. Fronteer Directory Co.*, 770 F.2d 128 (8th Cir. 1985).]

It is submitted that the better reasoned rule which this Court should instruct the Circuits to follow is that the only element of a compilation of facts that can be protected by copyright is the originality in its selection and arrangement. This is the rule of the Second, Fifth, Ninth, and Eleventh Circuits. [See *Southern Bell Tel. & Tel. Co. v. Associated Tel. Dir. Publ.*, 756 F.2d 801, 809-10 (11th Cir. 1985); *Cooling Systems & Flexibles, Inc. v. Stuart Radiator, Inc.*, 777 F.2d 485, 491 (9th Cir. 1985); *Financial Information, Inc. v. Moody's Investors Service, Inc.*, 751 F.2d 501, 506 (2nd Cir. 1984); *Eckes v. Card Prices Update*, 736 F.2d 859, 862-63 (2nd Cir. 1984); *Miller v. Universal City Studios, Inc.*, 650 F.2d 1365, 1369-70 (5th Cir. 1981).]

Even where a collection of facts meets the standards of originality and authorship necessary to constitute a copyrightable compilation, the facts themselves contained in the work remain in the public domain, free for

others to copy. (See e.g. *Miller, supra*, 650 F.2d at 1369-70.) As the Eleventh Circuit has explained:

"[A] telephone directory compilation whose components are comprised exclusively of information in the public domain can be protected by copyright laws only as to the selection and arrangement of the compilation, the work as a whole, and not as to the pre-existing information." (*Southern Bell Tel., supra*, 756 F.2d at 810.)

Accordingly, "the mere use of the information contained in the directory without a substantial copying of the format does not constitute infringement...." (*Southern Bell Tel., supra*, 756 F.2d at 810, citing *Miller, supra*.)

If the courts below are correctly instructed on copyright law, the public will benefit through greater access to information.

## CONCLUSION

The import of this decision extends beyond the two parties herein. Yellow page advertising revenue in the United States is expected to exceed \$8 billion in 1990. National policy in the entire telecommunication industry is to encourage competition. [*U.S. v. AT&T*, 552 F.Supp. 131 (D. D.C. 1982), aff'd *sub nom Maryland v. U.S.* 460 U.S. 1001 (1983).] The decisions below are contrary to that national policy in this very important industry.

Feist got out there and competed to bring telephone directory innovations [Copyright Transcript, pp 60-62] to the consumers of northwest Kansas. That type of



competition and innovation, by Feist or others, should be encouraged by this Court, not eliminated under the lower courts' concept of copyright law. This Petition for Certiorari should be granted to correct copyright interpretation in this important area and explain this Court's decision in *U.S. v. Loews* with regard to copyright misuse.

Respectfully submitted,

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## APPENDIX



UNITED STATES COURT OF APPEALS  
TENTH CIRCUIT

---

RURAL TELEPHONE	)	
SERVICE COMPANY, INC.,	)	
	)	
Plaintiff-Appellee,	)	
	)	
v.	)	No. 88-1679
	)	(D.C. No. 83-4086)
FEIST PUBLICATIONS, INC.,	)	(D. Kan.)
	)	
Defendant-Appellant.	)	

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ORDER AND JUDGMENT\*

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Before TACHA and EBEL, Circuit Judges, and  
KANE, District Judge.\*\*

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This appeal is from an order of the district court  
awarding summary judgment in favor of plaintiff Rural  
Telephone Service Company, Inc., (Rural), finding that

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\* This order and judgment has no precedential value  
and shall not be cited, or used by any court within the  
Tenth Circuit, except for purposes of establishing the  
doctrines of the law of the case, res judicata, or collateral  
estoppel. 10th Cir. R. 36.3.

\*\* The Honorable John L. Kane, Jr., District Judge,  
United States District Court for the District of Colorado,  
sitting by designation.

defendant Feist Publications, Inc. (Feist) violated the federal copyright laws by copying the white pages of Rural's 1982-83 telephone directory. After a Rule 54(b) certification by the district court on the copyright infringement issue, defendant appeals alleging that the district court erred in finding that Feist's activities in compiling the independent telephone directory constituted a copyright infringement and in awarding attorney's fees and damages. We affirm.

As a part of its telephone service to its cooperative members in Northwest Kansas, Rural compiles, publishes and distributes an annual telephone directory covering its telephone service area. The 1982-83 Rural telephone directory was marked with an appropriate copyright notice identifying Rural as the copyright proprietor and indicating the year of publication. Feist publishes and distributes a northwest area-wide telephone directory which covers some of the same geographical areas as Rural's directory. The undisputed facts show that Feist was unable to purchase the Rural white page listings so Feist took the Rural telephone directory, edited it, and used only the listings that covered its area of service. Those listings were sorted by towns and alphabetized. The lists were then sent to verifiers in each of the communities to verify the telephone numbers and addresses. Feist's directory contained the information derived in this way. The district court relied on the substantial precedent which holds that a telephone directory is a compilation copyrightable under the United States copyright laws. *E.g.*, *United Tel. Co. v. Johnson Publishing Co.*, 855 F.2d 604, 607-08 (8th Cir. 1988); *Hutchinson Tele. Co., v. Frontier Directory Co.*, 770 F.2d 128, 132 (8th Cir. 1985); *Southern Bell Tele. & Tele. Co. v. Associated Tele. Directory Publishers*, 756 F.2d 801, 809-10 (11th Cir. 1985); *South-*

*ern Bell Tele. Co. v. Nationwide Indep. Directory Serv., Inc.*, 371 F.Supp. 900, 905 (W.D. Ark. 1974). The district court found that the use of Rural's materials by Feist was neither *de minimis*, *e.g.*, *Warner Bros. Inc. v. American Broadcasting Cos., Inc.*, 720 F.2d 231, 242 (2d Cir. 1983) (*de minimis* rule allows copying of small and usually insignificant portion of copyrighted work), nor "fair use" and therefore constituted an infringement of the copyright laws, *e.g.*, *Rockford Map Publishers, Inc. v. Directory Serv. Co.*, 768 F.2d 145, 149-50 (7th Cir. 1985) (copying map compilation), *cert. denied*, 476 U.S. 1061 (1986); *Central Tele. Co. v. Johnson Publishing Co.*, 526 F.Supp. 838, 843 (D. Colo. 1981) (copying telephone directory). We find no error in these determinations of the district court. We further agree with the district court that allegations of antitrust violations do not constitute defenses to a claim of copyright infringement. *E.g.*, *Harms, Inc. v. Sansom House Enters.*, 162 F.Supp. 129, 135 (E.D. Pa. 1958), *aff'd sub nom. on other grounds, Leo Feist, Inc. v. Lew Tandler Tavern, Inc.*, 267 F.2d 494 (3d Cir. 1959); *Buck v. Cecere*, 45 F.Supp. 441, 441-2 (W.D. N.Y. 1942); *Buck v. Newsreel, Inc.*, 25 F.Supp. 787, 789 (D. Mass. 1938). *Contra M. Witmark & Sons v. Jensen*, 80 F.Supp. 843, 850 (D. Minn. 1948), *appeal dismissed*, 177 F.2d 515 (8th Cir. 1949). Statutory damages and attorneys' fees are within the discretion of the district court. *E.g.*, *Hartman v. Hallmark Cards, Inc.*, 833 F.2d 117, 122 (8th Cir. 1987) (copyright attorneys' fees award reviewed under abuse of discretion standard); *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1335 (9th Cir. 1984) (copyright statutory damages award reviewed under abuse of discretion standard). Under the circumstances of this case, we find no abuse of discretion in the award of statutory damages of

\$6,000 and attorneys' fees. We AFFIRM for substantially the reasons given by the district court.

ENTERED FOR THE COURT

Deanell Reece Tacha  
Circuit Judge

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF KANSAS

RURAL TELEPHONE	)	
SERVICE COMPANY, INC.,	)	
Plaintiff,	)	
	)	
vs.	)	Case No. 83-4086
	)	
FEIST PUBLICATIONS, INC.	)	
	)	
Defendant.	)	
	)	

MEMORANDUM AND ORDER

This is a copyright infringement and antitrust action. Plaintiff, Rural Telephone Service Company, Inc., (RTSC), contends that the defendant, Feist Publications, Inc. (Feist), violated the copyright laws by copying the white pages of its 1982-83 telephone directory. Feist contends that RTSC has violated the antitrust laws by attempting to exclude it as a competitor in the yellow pages advertising market. This matter is presently before the court upon RTSC's motion for summary judgment on its copyright infringement claim, Feist's motion for summary judgment on the copyright infringement claim, and RTSC's motion to dismiss the antitrust claim. Oral argument has been requested but the court deems it unnecessary.

Before we address the pending motions, we find it necessary to consider one point raised by Feist in its response to RTSC's motion for summary judgment and cross-motion for summary judgment. Feist suggests that the court should not consider RTSC's infringement claim and Feist's antitrust claim separately. Feist con-



tends that the two claims are related and must be viewed together. The court recognizes that the evidence in this case applies to both claims. Nevertheless, we do believe that the claims are independent of each other and should be considered separately. *See, e.g., National Business Lists, Inc. v. Dun & Bradstreet, Inc.*, 552 F.Supp. 89 (N.D. Ill. 1982) and *National Business Lists, Inc. v. Dun & Bradstreet, Inc.*, 552 F.Supp. 99 (N.D. Ill. 1982). Accordingly, the court shall examine each claim separately in this order.

The court shall proceed to the copyright infringement claim. Both sides have moved for summary judgment. Summary judgment is, of course, only appropriate if no triable issue of material facts exists. *Buell Cabinet Co., Inc. v. Sudduth*, 608 F.2d 431, 433 (10th Cir. 1979). The material facts on the copyright infringement claim are not in dispute and, thus, summary judgment may properly be entered.

RTSC is a Kansas corporation, duly organized and existing under the laws of the State of Kansas to transact the business of a public utility. In the normal course of business, RTSC compiles, prepares, publishes and distributes telephone directories covering the geographical areas in which it provides telephone service. The telephone directories have been copyrighted and the copyrights have been registered each year as published. The 1982-83 telephone directory, which is the subject of this lawsuit, is marked with an appropriate copyright notice identifying RTSC as the copyright proprietor and indicating the year of publication. RTSC's telephone directories are printed partly on white pages and partly on yellow pages. The portion printed on white pages lists in alphabetical order the names, addresses and telephone numbers of RTSC's telephone subscribers. The portion printed on yellow pages lists RTSC's busi-

ness subscribers alphabetically under the appropriate business classifications and contains classified advertisements of various sizes purchased by RTSC's business subscribers.

Feist is also a Kansas corporation. Feist publishes and distributes telephone directories. Since 1978, Feist has published and distributed a Northwest AREA-WIDE Telephone Directory. This directory covers some of the same geographical areas as the directory produced by RTSC but also covers some additional areas. The directory contains white pages and yellow pages similar to the RTSC directory. The directory also contains a red page community interest section and a blue page government and school information section.

Feist began its publication of the Northwest AREA-WIDE Telephone Directory by attempting to enter into license agreements with the various telephone companies serving the area covered by the directory. Through these license agreements, the telephone companies agreed to annually sell Feist a list of their white page listings to be used by Feist in its directory. RTSC was the only telephone company in the area covered by the Northwest AREA-WIDE Telephone Directory that did not enter into a license agreement with Feist. Thus, Feist in 1978, unable to purchase the RTSC white page listings, took the RTSC telephone directory and edited it by taking out all of the listings they could not use and using the remainder of the RTSC directory. Once this was accomplished, Feist sorted these listings out by town and alphabetized them. Feist then sent the various lists, broken down by towns, to verifiers it had hired in each of the towns that the directory would cover, with instructions to telephone each of the listings taken from the RTSC directory, and to attempt to verify each name, address and telephone number. After the verifiers had

carried out their instructions, they sent the lists back to Feist with penciled in notes reflecting deletions, additions and any other changes. Concurrently with the work of the verifiers, salesmen working for Feist solicited ads for the yellow pages section of the Feist directory. The ads which were purchased then appeared in printed form in the yellow pages section of Feist's 1978 Northwest Kansas AREA-WIDE Telephone Directory which was delivered to people in various northwest Kansas counties.

In the following years, 1979 through 1982, Feist published an annual Northwest AREA-WIDE Telephone Directory. Feist used RTSC's telephone directory to a limited extent during those years. Feist generally relied upon its own previous directory and made additions and deletions through the use of verifiers. In 1983, Feist decided to change the date of publication of its directory. Based upon this change, Feist decided it was advantageous to again make full use of the RTSC directory. Feist used RTSC's directory in the same manner as in 1978.

RTSC, suspicious of Feist infringing its copyright, inserted in its 1982-1983 telephone directory a number of fictitious listings. When Feist's 1983 Northwest Kansas AREA-WIDE Telephone Directory was published and disseminated, four fictitious listings that were inserted in RTSC's 1982-1983 telephone directory appeared in the Feist directory.

RTSC contends that the aforementioned facts show that Feist infringed its copyright by copying its 1982-1983 copyrighted telephone directory without permission. Feist asserts a number of defenses to RTSC's contention. The court shall examine the various contentions made by both sides.

To prevail on a claim of copyright infringement, a plaintiff must show ownership of a valid copyright and

that there was copying by the defendant. *Wickham v. Knoxville International Energy Exposition, Inc.*, 739 F.2d 1094, 1097 (6th Cir. 1984). Feist has raised several matters which dispute RTSC's contention that these requirements have been satisfied in this case.

Plaintiff has attached to its complaint a copy of the Certificate of Registration of its copyright for its telephone directory published for the period 1982-1983. Such evidence entitles the plaintiff to a prima facie presumption of copyright validity and ownership. 17 U.S.C. §410 (c). The defendant has the burden of overcoming the presumption of validity. *Williams Electronics, Inc. v. Artic International, Inc.*, 685 F.2d 870, 873 (3d Cir. 1982).

Feist challenges RTSC's copyright by contending that telephone directories are not copyrightable subject matter. The issue of whether telephone directories are copyrightable is well-settled. Courts have consistently held that telephone directories are copyrightable. *Hutchinson Telephone Co. v. Fronteer Directory Co.*, 770 F.2d 128 (8th Cir. 1985); *Southern Bell Telephone & Telegraph Co. v. Associated Telephone Directory Publishers*, 756 F.2d 801 (11th Cir. 1985); *Leon v. Pacific Telephone & Telegraph Co.*, 91 F.2d 484 (9th Cir. 1937); *Central Telephone Co. of Virginia v. Johnson Publishing Co.*, 526 F.Supp. 838 (D. Colo. 1981); *Southwestern Bell Telephone Co. v. Nationwide Independent Directory Service, Inc.*, 371 F.Supp. 900 (W.D. Ark. 1974); *Southern Bell Telephone & Telegraph Co. v. Donnelly*, 35 F.Supp. 425 (S.D. Fla. 1940); *Cincinnati and Suburban Bell Telephone Co. v. Brown*, 44 F.2d 631 (S.D. Ohio 1930); *Hartford Printing Co. v. Hartford Directory & Publishing Co.*, 146 F. 332 (D. Conn. 1906). The court does not find the defendant's arguments to the contrary, which are based on Professor Nimmer's comments in



*Nimmer on Copyright* (1986), persuasive. See Demicola, Copyright in Collections of Facts: A Theory for the Protection of Nonfiction Literary Works, 81 *Colum.L.Rev.* 516, 527-535 (1981). The court holds that the white pages of a telephone directory constitute original work of authorship and are, therefore, copyrightable under either the provisions of 17 U.S.C. §102 or §103. *Hutchinson Telephone Co. v. Fronteer Directory Co.*, *supra*, at 131-32. Accordingly, we find that the plaintiff has demonstrated a valid copyright for its 1982-1983 telephone directory.

The court shall next move to the requirement of copying. This element may be shown by either an admission of copying by the defendant, or by the indirect route of proving access to the directory and substantial similarity between the plaintiff's and defendant's works. *Central Telephone Co. of Virginia v. Johnson Publishing Co.*, *supra*, at 843. Of course, one of the most significant evidences of copying is the copying of errors. *Financial Information, Inc. v. Moody's Investors Service, Inc.*, 599 F.Supp. 994, 996 n. 3 (S.D. N.Y. 1984); *Central Telephone Co. of Virginia v. Johnson Publishing Co.*, *supra*, at 844.

RTSC submits that the evidence is uncontroverted that Feist copied its 1982-1983 telephone directory. RTSC points to the admission of Feist that it used the RTSC directory to produce its directory. Feist admitted that it began with the RTSC directory, edited out all of the listings it could not use, and then compiled a list that it could use. This list was then sent to verifiers to be verified. RTSC also points to the evidence that fictitious names listed in its telephone directory were reproduced in Feist's directory.

In defense, Feist argues that any notion of outright copying is dispelled because of the lack of "substantial

similarity" between the two directories. Feist further suggests that the presence of the four fictitious listings is *de minimis* and, thus, not actionable. Feist also contends that the copying that occurred was a "fair use" of the material and, therefore, not an infringement. Finally, Feist asserts that RTSC's violation of the anti-trust laws precludes recovery for copyright infringement.

The evidence before the court clearly establishes that the defendant copied the plaintiff's directory. Tom Feist, one of the owners of the defendant, admitted in his deposition that the plaintiff's 1982-1983 directory was extensively used to prepare a portion of his company's directory. These statements constitute an admission that plaintiff's directory was copied. In light of this admission, the court finds it unnecessary to consider the defendant's contentions that copying did not occur. The "substantial similarity" test is used when there is no direct evidence of copying. See *Durham Industries, Inc. v. Tomy Corp.*, 630 F.2d 905, 911-12 (2d Cir. 1980). Since we have direct evidence of copying in this case, we need not resort to an analysis of whether there was a substantial similarity between the two directories. The fact that the defendant may have reorganized the material it gained from the plaintiff or may have added other material does not preclude a finding of infringement. *Leon v. Pacific Telephone & Telegraph Co.*, *supra*, at 486-87; *Central Telephone Co. of Virginia v. Johnson Publishing Co.*, *supra*, at 844. Moreover, the *de minimis* rule does not save the defendant. The *de minimis* rule allows the literal copying of a small and usually insignificant portion of a copyrighted work. *Warner Brothers, Inc. v. American Broadcasting Companies, Inc.*, 720 F.2d 231, 242 (2d Cir. 1983). Here, there is no question



that the white pages of plaintiff's directory were extensively used by the defendant.

There is also an alternative ground for proof of copying by Feist—the presence of the fictitious listings inserted into plaintiff's directory and later present in the defendant's directory. This, of course, naturally presents strong evidence of copying and confirms the admission by the defendant that it extensively used the plaintiff's directory.

The court shall next consider the defendant's assertion of the "fair use" defense. The fair use doctrine, codified in 17 U.S.C. §107, allows persons other than the owner of a copyright to use copyrighted material in a reasonable manner without his consent, notwithstanding the monopoly granted to the owner of the copyright. *Rubin v. Boston Magazine Co.*, 645 F.2d 80 (1st Cir. 1980). Section 107 provides that the "fair use" of a copyrighted work is not an infringement where it is for purposes such as criticism, comment, news reporting, teaching, scholarship or research. Section 107 sets forth the following factors to consider in determining whether such a defense should be allowed:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

The fair use analysis, however, must always be tailored to the individual case. *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 552 (1985). The test that has been applied to the use of an existing compilation by a compiler of a directory is succinctly stated in *Central Telephone Co. of Virginia v. Johnson Publishing Co.*, *supra*, at 843:

Courts recognize that a compiler of a directory may make fair use of an existing compilation if he first makes an independent canvass, then merely compares and checks his own compilation with that of the copyrighted publication and publishes the result after verifying the additional items derived from the copyrighted publication. *Northwestern Telephone Systems, Inc. v. Local Publications, Inc.*, 208 U.S.P. Q. 257, 258 (D. Mont. 1979). Since the copyright covers the compilation of the information and not the individual names and addresses, if there is substantial copying from the plaintiff's work without an independent canvass initially, the resulting work will be an infringement even when the defendant later verifies the material by checking the plaintiff's original sources. *Nimmer*, §8.01[E]; see *Jeweler's Circular Publishing Co. v. Keystone Publishing Co.*, 281 F.83 (2nd Cir.), *cert. denied*, 259 U.S. 581, 42 S.Ct. 464, 66 L.Ed. 1074 (1922).

The court believes that this standard is still the one to be applied in telephone directory cases. The application of this rule indicates that Feist cannot utilize the fair use doctrine in this case. The uncontroverted evidence before the court reveals that the defendant extensively used the plaintiff's directory without first con-

ducting an independent canvass. Thus, even though the defendant later verified the material, the defendant clearly infringed the plaintiff's copyright.

As a final defense, Feist seeks to extend the "patent misuse" doctrine to the facts of this case. The patent misuse doctrine arose in a series of cases involving alleged infringement of patents. In *Morton Salt Co. v. G.S. Suppiger Co.*, 314 U.S. 488 (1942) and *Mercoird Corp. v. Mid-Continent Investment Co.*, 320 U.S. 680 (1944), the Supreme Court held that where a patentee is using his patent to gain economic control over unpatented products, a court of equity may decline to protect his invention against infringement. Feist wishes to extend this doctrine to this case by alleging that RTSC is an antitrust violator and, thus, should not be able to obtain relief in a copyright infringement action.

The doctrine, however, has never been extended by the Supreme Court to copyright infringement actions. In *United States v. Loew's, Inc.*, 371 U.S. 38, 45 (1962), the Court recognized that copyright owners may sometimes enjoy analogous market dominance over their copyrighted articles enabling them to exert anticompetitive pressure in non-copyrighted articles, but did not extend the "patent misuse" doctrine to copyright infringement actions. Lower courts have generally been unwilling to find that antitrust violations constitute a defense to copyright infringement actions. See, e.g., *Orth-O-Vision, Inc. v. Home Box Office*, 474 F.Supp. 672, 686 (S.D. N.Y. 1979); *Peter Pan Fabrics, Inc. v. Candy Frocks, Inc.*, 187 F.Supp. 334, 336 (S.D. N.Y. 1960); *Harms, Inc. v. Sansom House Enterprises, Inc.*, 162 F.Supp. 129, 135 (E.D. Pa. 1958). This court is also unwilling to make this leap. We concur with prior case law which holds that antitrust violations do not constitute a defense to copyright infringement.

In sum, the court finds that plaintiff's motion for summary judgment should be granted and defendant's motion for summary judgment denied. The court shall grant plaintiff judgment on its copyright claim. The court notes that plaintiff has requested attorney's fees. The court, in its discretion, may award attorney's fees to the prevailing party in a copyright infringement action. 17 U.S.C. §505. The court finds that this is an appropriate case for the award of attorney's fees to the plaintiff. The amount to be awarded shall be decided following the decision on damages which will be considered at a later date.

The court shall next move to plaintiff's motion to dismiss the defendant's counterclaim. RTSC contends that Feist's antitrust claim fails to state a claim upon which relief can be granted. RTSC suggests that the court convert its motion into a motion for summary judgment because matters outside the pleadings are referred to in the motion. Having carefully reviewed the arguments of the parties, the court finds that plaintiff has demonstrated neither its entitlement to dismissal or summary judgment on the antitrust claim. Plaintiff's motion is deficient in that it fails to recognize all of the allegations made by the defendant. Accordingly, the court shall deny plaintiff's motion to dismiss the defendant's counterclaim.

IT IS THEREFORE ORDERED that plaintiff's motion for summary judgment on its copyright infringement claim be hereby granted. Plaintiff shall also be awarded attorney's fees on this claim. The amount of attorney's fees as well as the proper measure of damages shall be determined in the future.

IT IS FURTHER ORDERED that defendant's motion for summary judgment is hereby denied.



IT IS FURTHER ORDERED that plaintiff's motion to dismiss be hereby denied.

IT IS SO ORDERED.

Dated this 5th day of January, 1987 at Topeka, Kansas.

/s/ Richard D. Rogers  
United States District Judge

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF KANSAS

RURAL TELEPHONE	)	
SERVICE COMPANY INC.,	)	
Plaintiff,	)	
	)	
vs.	)	Case No. 83-4086-R
	)	
FEIST PUBLICATIONS, INC.,	)	
	)	
Defendant.	)	
_____	)	

ORDER

On January 5, 1987, the court granted summary judgment to Rural Telephone Service Company, Inc. (RTSC) on its copyright infringement claim against Feist Publications, Inc. On January 11, 1988, the court held a hearing on the amount of damages to be awarded RTSC on this claim. The purpose of this order is to memorialize the ruling made by the court following the hearing.

The only issues left for determination on the copyright claim are whether the infringement was willful and the appropriate amount of damages. The copyright law provides that a prevailing party may seek damages in the form of actual damages, such as lost revenue, 17 U.S.C. §504(b), or alternatively, in the form of "statutory" damages ranging from \$250 to \$10,000 for each incident of infringement, 17 U.S.C. §504(c)(1). Statutory damages up to \$50,000 may be awarded if the infringement is found to be willful. 17 U.S.C. §504(c)(2). RTSC seeks relief in the form of statutory damages.



RTSC asserts that the actions of Feist were willful and they seek damages in the amount of \$50,000.

The determination of statutory damages for copyright infringement is left to the discretion of the court. *Morley Music Co. v. Dick Stacey's Plaza Motel, Inc.*, 725 F.2d 1, 3 (1st Cir. 1983). Among the factors to be considered in awarding statutory damages are (1) the expenses saved and profits reaped by the defendant in connection with the infringement; and (2) the revenues lost by the plaintiff. *Nick-O-Val Music Co., Inc. v. P.O.S. Radio, Inc.*, 656 F.Supp. 826, 829 (M.D. Fla. 1987).

Having carefully considered all of the evidence presented at the hearing, the court finds that the conduct of Feist was not willful. The court shall award damages in the amount of \$6,000 to RTSC. This is a fair and reasonable figure given all of the circumstances in this case.

In our previous order, we granted attorney's fees to RTSC on its copyright infringement claim. The parties should make some effort to resolve this aspect of the case pursuant to the guidelines established in Local Rule 220. The issue of the amount of attorney's fees should be submitted to the court if no agreement is reached by the parties.

IT IS THEREFORE ORDERED that judgment be entered for the plaintiff in the amount of \$6,000 on its copyright infringement claim.

IT IS SO ORDERED.

Dated this 13th day of January, 1988 at Topeka, Kansas.

/s/ Richard D. Rogers  
United States District Judge

## STATUTES INVOLVED

### 17 USC §101. DEFINITIONS

As used in this title, the following terms and their variant forms mean the following:

...

A "compilation" is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. The term "compilation" includes collective works.

...

The terms "including" and "such as" are illustrative and not limitative.

### 17 USC §103. SUBJECT MATTER OF COPYRIGHT: COMPILATIONS AND DERIVATIVE WORKS

- (a) The subject matter of copyright as specified by section 102 includes compilations and derivative works, but protection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully.
- (b) The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the

preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

#### 17 USC §107. LIMITATIONS ON EXCLUSIVE RIGHTS: FAIR USE

Notwithstanding the provisions of section 106, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

- (1) The purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) The nature of the copyrighted work;
- (3) The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) The effect of the use upon the potential market for or value of the copyrighted work.

#### 15 USC §2. MONOPOLIZING TRADE A FELONY; PENALTY

Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a felony, and, on conviction thereof, shall be punished by fine not exceeding one million dollars if a corporation, or, if any other person, one hundred thousand dollars, or by imprisonment not exceeding three years, or by both said punishments, in the discretion of the court.